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# AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## FARMERS' ASSOCIATION ACQUIRES INTEREST IN FERTILIZER PLANT

Substantial blocks of the preferred and common stock of a Baltimore company manufacturing fertilizer have been purchased by the Cooperative Grange League Federation Exchange, Inc., Ithaca, N. Y. In consequence, the president of the exchange and the manager of the fertilizer department of the exchange have been given places on the board of directors of the fertilizer company and one of the two has been made a member of the executive committee.

The house organ of the exchange in announcing the plans for the coming season states that fertilizers will be priced on the prevailing schedules. If a profit results from the manufacturing operations it may be rebated or it may be used in accumulating a surplus for the purpose of strengthening the financial position of the fertilizer department.

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## MARKETING CALIFORNIA RAISINS A BIG PROBLEM

In the December issue of the Associated Growers, published by the Sun-Maid Raisin Growers of California and the California Peach and Fig Growers, it is stated that the membership of the Sun-Maid organization is now 16,500. It is also stated that "Only through cooperation has it been possible to finance the 1924 crop... Only through cooperation has it been possible to expand markets, to cut down the carry-over, and make raisins a staple instead of a luxury. If it had not been for Sun-Maid, in other words, there would now be thousands of tons of raisins without a market, and utterly valueless on that account."

Attention is called to the fact that 247,000 tons, of the world's production of nearly 500,000 tons in 1923, were produced in California and that the California grower "is battling with the raisin growers of Spain, South Africa, Australia, Afghanistan, Persia, Smyrna, Greece, and other countries, for his market." It is urged that every California raisin grower enlist with the Sun-Maid organization, as more extensive advertising campaigns and more intensive sales efforts are required to increase the market for the California product.

MANAGEMENT OF MELON ASSOCIATION MEETS MEMBERS

Beginning October 27 over sixty meetings were held by the management of the Sowega Melon Growers Association, Adel, Ga., for the purpose of giving the membership of the organization the facts regarding the 1924 operations. It is reported that, "Through this method practically all dissatisfaction and dissension has been removed, for in almost every instance where a grower was dissatisfied his dissatisfaction came about through misinformation."

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MEMBERSHIP IS REORGANIZING PEACH AND FIG GROWERS

By a nine to one vote the members of the California Peach and Fig Growers, Fresno, Calif. have decided to continue their association in a reorganized form. (See Agricultural Cooperation, Vol. II, p 388.) A canvass aimed to reach the entire association membership was conducted during November by mail. Of the votes received up to December 8, 65 per cent were from growers favoring a single association for handling both peaches and figs, and 35 per cent from growers favoring separate organizations for the marketing of these products.

On December 8, 33 representatives, who had been elected by the growers in 33 districts in which meetings had been held, met at Fresno and began the task of revamping the organization so that it will be a real democracy in which the membership selects those who are to be responsible for the management.

One of the first matters considered was that of a new marketing contract. It was decided that the new agreement should be as strong as it could be made in the matter of "forcing members to respect their contracts."

The president of the association in addressing the delegates stated that the organization was practically free from debt, which meant that the delegates would be unhampered in the task of reconstructing the organization. He expressed it as the desire of the officers that such changes as might be adopted should have their inception in the council of the chosen representatives of the growers.

Recently dividend No. 7 was paid to the stockholders of the company. The rate was 8 per cent and the total amount distributed was in excess of \$100,000.

During the last few months the management has been very energetic in finding buyers for the products in the hands of the association.

Final settlement has been made on the 1922 crop of figs for canning. It is stated by the management that "With the exception of about 800 tons of figs of all varieties . . . . all association fruit has been contracted for. This means that under ordinary conditions the entire 1924 crop and all holdover fruit should be sold shortly after the first of the year and a great portion of it shipped to buyers."

LARGE INCREASE IN TONNAGE OF ORANGES HANDLED.

A large increase in tonnage during the 1923-24 season is reported by the Mutual Orange Distributors, Redlands, Calif. The number of boxes of fruit shipped was 2,280,748, a net gain of 328,400 boxes, or 16.8 per cent. In 1922-23 this association shipped 1.5 per cent of the total lemon crop of the state and 8.7 per cent of the oranges. In 1923-24, 2 per cent of the lemon crop was handled and 10.4 per cent of the orange crop.

This association is a marketing organization conducted on a cooperative, nonprofit basis. It was formed in 1906 by ten citrus growers and in 1924 its membership consisted of 33 affiliated associations or packing house companies with 25000 member citrus growers.

The function of a local organization is "to own and control a packing house and to pick, haul, pack and load the products to be handled for its members. Each of the local organizations is under contract with the Mutual Orange Distributors to ship all fruit through the over-head company.

The Mutual Orange Distributors has representatives in 377 markets of the United States and Canada, working under direction of the general sales department. Fruit is sold both by private sale and by the auction method. A representative in England the past season also opened new markets. Business handled during recent years as reported by the organization is as follows:

1915 .....	\$ 3,000,000
1916 .....	3,500,000
1921 .....	10,000,000
1922 .....	7,430,000
1923 .....	5,000,000

The supply department purchases needed supplies for the growers. A contract has been made for box shock for next year at a maximum charge of 20 cents. There was an increase in membership during the past year, also in the number of acres of bearing orchards belonging to members. The latter increase was 2121 acres.

Regarding the cost of operation, the following statement is made:

At the beginning of our fiscal year we estimated and retained 15¢ per box for all fruit sold outside the auction, and 8¢ on all fruit sold in that manner. This made an average for the season of retaining 13 3/4 cents, and we are now rebating 1 cent per box, which will make the actual cost 12 3/4 cents per box. This includes all expenses of sales, advertising, etc., both here and in all markets.

"Goldland" BRAND NAME FOR SOUTH AFRICA FRUIT

Since the preparation of the article relative to the Fruit-growers Cooperative Exchange of South Africa, Ltd., appearing on page 349 of the issue of Agricultural Cooperation for October 20, considerable additional information has come to hand regarding this cooperative marketing association. The exchange, which began functioning in September of 1921, is concerned largely with the receiving of fruit for export and in allocating shipping space.

At the present time there are 32 local associations, with a total membership of about 800, affiliated with the fruitgrowers' exchange. Seventeen of these are handling citrus fruit, 14 deciduous fruit and 1 pineapples. The locals are in the following provinces: citrus associations, Transvaal, 11; Rhodesia, 1; Natal, 1; Cape Province, 4; deciduous associations, Cape Province, 13; Orange Free State, 1. The local handling pineapples is in Cape Province. There are central (or over-head) associations for the citrus organizations in the Transvaal and Cape Province and a Central for the associations handling deciduous fruits in Cape Province.

The locals in Natal, Rhodesia, and Orange Free State and the pineapple local in Cape Province have the status of central associations because they are the only associations of their kind in the several provinces. It is stated that when other locals are formed Central Associations will be created.

The local associations function in different ways. Some pick, pack and rail the fruit of their members, make arrangements with overseas salesmen, and supply packing materials. They also advise members as to prices, market conditions and the movement of fruit.

Plans are being made by the exchange to establish a representative in London to assist in the marketing. "Goldland" has been selected as a brand name to be used on the fancy and choice packs. It is proposed to have the trade-mark printed on the tissue wrappers used in packing citrus fruit. It will also be worked into the individual label designs used by the local associations. "Goldland" fruit is to be advertised in England.

A periodical, Fruitgrowers Exchange Bulletin, is published for the purpose of keeping the membership informed as to the activities of the exchange. It is printed in English and in Afrikaans. The annual reports of the management and the financial statements are printed in the two languages.

The exchange is maintained by a tonnage charge on all fruit exported. The income of the organization for the first fifteen months of its existence, ending with December 31, 1922, was approximately \$35,000 and the income for the year ending December 31, 1923, was nearly \$45,000. It is reported that 80% of the fruit exported from South Africa is from the members of the cooperative associations.

COTTON GROWERS RECEIVE FIRST DISTRIBUTION

Checks for the first distribution on 1924 cotton were sent out on December 15 by the North Carolina Cotton Growers' Cooperative Association, Raleigh, N. C. This distribution covers cotton received and classed up to November 29, and brings the price paid up to 16- 1/2 cents per pound for middling cotton, 7/8 to 1-inch staple. The first advance was \$70 a bale. A second distribution will be made in January on cotton received in December, and a third in February on January receipts.

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COTTON GROWER DELIVERS LARGE BALEAGE TO ASSOCIATION

A record delivery of cotton was made December 16 to the Louisiana Farm Bureau Cotton Association, Shreveport, La., when one member from Webster Parish turned over 355 bales of cotton in one day to the association for marketing. During the week ending November 29 the association received 25,040 bales of cotton from its members, after which time receipts came more slowly. About \$175,000 was distributed to the growers at Christmas time, bringing the total distribution at this time to nearly \$2,000,000.

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ARKANSAS, TENNESSEE, AND MISSOURI COTTON GROWERS COOPERATE

A total of 56,833 bales of cotton of the 1923 crop was handled by the sales department of the Arkansas Cotton Growers' Cooperative Association, Little Rock, Ark., which is the selling agency for the Arkansas, Tennessee, and Missouri associations. The deliveries by the three organizations were approximately as follows: Arkansas association, 37,800 bales; Tennessee Cotton Growers' Association, 15,100 bales; Missouri Cotton Growers' Cooperative Association, 3,700 bales.

Proceeds from the sale of 56,573 bales amounted to \$8,197,944, of which sum \$7,663,416 had been paid to the grower members prior to September, 1924, when the books were audited. The 260 bales unsold were valued at \$25,000.

Deductions from gross sales were \$610,104, made up of three groups of items, namely, expenses incident to the physical handling of the cotton, \$300,455; operating expenses, \$227,670; and operating reserve, \$81,979. The operating reserve was added to the reserve of the preceding season, making the total reserve on September 17, \$148,342.

The expenses connected with the physical handling of the cotton were: freight and storage, \$110,699; insurance, \$56,406; exchange, \$18,450; interest, \$111,076; exchange and drafts, \$3,821.

The 1923-24 season was the second for the Arkansas association and the first for the Tennessee and Missouri associations. During the 1922-23 season the Arkansas association handled over 68,000 bales of cotton.

FIGURES FROM ANNUAL AUDIT OF STAPLE COTTON ASSOCIATION

Under date of October 24, 1924, the auditors submitted their final report of the activities of the Staple Cotton Association, Greenwood, Miss., in marketing the 1923 cotton crop. Cotton handled totaled 107,256 bales, and nearly seventeen million dollars (\$16,851,630) was realized from the sales. Operating expenses, less sundry income and other credits, amounted to \$394,790; retain for advance fund amounted to \$335,319; and the sum of \$16,129,635 was distributed to the members.

Net reserve for contingencies, on August 31, 1924, amounted to \$273,445, and the advance fund on that date had a credit balance of \$1,203,040. Advance fund certificates for the above amount, bearing 6% interest, have been issued to the members. Among the assets of the association on August 31 was over 2,000 bales of cotton valued at more than \$300,000.

Announcement was made early in November that the association "is now prepared to make it possible for a member to fix the price at which he is willing to sell, and to secure immediate liquidation on 90% of the funds realized from such price." Such advances are made possible by close cooperation between the cooperative association and the Staple Cotton Discount Corporation.

Average cost per \$100 for interest, insurance and storage, for the three seasons which the association has operated, was \$2.98; the costs for the several items being: interest, \$1.12; insurance, \$.77; storage, \$1.09.

Attention is called in the November issue of the Staple Cotton Review to the advances made to members for the first deliveries for the seasons of 1922, 1923, and 1924. Figures showing the number of bales received, the total money distributed, and the amount per bale, up to October 1 of each season, are as follows:

	: Bales	: Money	: Av. Amount
Oct. 1	: Received	: Distributed	: per Bale
1922	: 50,455	: \$1,105,599	: \$22
1923	: 15,748	: 1,225,540	: 81
1924	: 40,896	: 3,268,735	: 80

Consideration is being given by the management to the kind of services which might be rendered by grower members grouped in local units. It has been suggested that such locals would be helpful in holding meetings for discussing the price to be fixed by members on the cotton which they will have for the association to market.

In order that the members may be well informed regarding the yearly cycles for cotton prices, the management has obtained monthly averages of middling upland cotton on the New York Cotton Exchange for twenty years and has published these in the paper issued by the association. It has also published average annual prices for January and July futures for the New York and the New Orleans Cotton Exchanges for the same period.

SEVENTY-FIVE JURY CASES WON BY TOBACCO GROWERS ASSOCIATION

In its efforts to enforce contracts with members the Tobacco Growers' Cooperative Association, Raleigh, N. C., has won seventy-five jury cases within six weeks, without a single unfavorable verdict according to a statement issued by the management of the association.

Among the results gained by the association's recent unbroken string of legal victories are the rulings that a mortgage is no defense against the performance of the association's contract by its members; the decision that a member who fails to sign the contract but authorizes another to do so, shall be held strictly accountable for the performance of all its terms; and an injunction in Person County, N. C., which establishes the fact that a member who rents his tobacco land for cash rent may be required to pay liquidated damages for tobacco grown upon it which is delivered outside the association.

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CONNECTICUT TOBACCO GROWERS GET HALF A MILLION

Announcement is made in the December issue of the Connecticut Valley Tobacco Association, Hartford, Conn., that \$500,000 was being distributed to members on account of the 1922 Broad-leaf crop. It was stated that the average amount per member was approximately \$380.

Announcement is also made of a series of meetings to be held during January in the producing sections for the purpose of advising the membership in the local units regarding the status of their business enterprise.

An exhibit was recently placed by the association in the banking room of one of the Hartford trust companies. Besides showing samples of tobacco and photographs depicting the tobacco growing industry the exhibit contained a large wall map which showed the location of the tobacco producing area in the Connecticut valley, indicated membership, poundage handled, acres and volume of business for the different producing sections.

It is the plan of the association to have an exhibit at the Third International Industries Exposition in New York City, January 9 to 24.

FINANCIAL STATUS OF BURLEY TOBACCO ASSOCIATION

A condensed report of the detailed audit of the Burley Tobacco Growers Cooperative Association, Lexington, Ky., for the period from August 31, 1923, to August 31, 1924, has been furnished to the United States Department of Agriculture.

A total of 197,009,743 pounds of tobacco of the 1922 crop and 245,307,781 pounds of the 1923 crop were received by the association. These amounts are accounted for as follows:

Tobacco	:	1922 crop	:	1923 crop
	:	Pounds	:	Pounds
Green sales (winter order)	:	144,955,853	:	61,438,846
Redried and sold	:	31,024,809	:	7,009,390
Redried tobacco on hand	:	17,223,195	:	162,411,552
Shrinkage in redrying	:	3,805,886	:	14,447,993
Total	:	197,009,743	:	245,307,781

There was a loss in weight of 7.31 per cent on the 1922 tobacco redried and a loss of 7.86 per cent on the 1923 tobacco.

The total amount of tobacco on hand August 31, 1924, was 179,634,747 pounds, consisting of 17,223,195 pounds of the 1922 crop and 162,411,552 pounds of the 1923 crop. For purposes of securing loans this tobacco had an average appraised value of \$26.75 per hundred pounds.

On the basis of the above appraised value the members' equity in the two crops is indicated by the following table:

	:	1922 crop	:	1923 crop
Total Sales	:	\$45,551,957.84	:	\$12,255,274.86
Inventory Value (Aug. 31)	:	7,308,627.75	:	40,753,044.44
Total Sales and Inventory	:	52,860,585.59	:	53,008,319.30
Less Expenses <u>1/</u>	:	2,200,588.98	:	4,546,615.74
Less Distribution to Members	:	42,410,431.56	:	21,402,504.06
Members' Equity <u>2/</u>	:	8,249,565.05	:	27,059,199.50

1/ Expenses include the expenses of receiving, redrying, prizing and storing tobacco; interest and insurance charges; taxes paid; and all administrative expenses. The greater expense in handling the 1923 crop as compared with that for the 1922 is accounted for by the increase in the number of pounds of tobacco received and by the fact that approximately but one-fourth of the 1922 crop was redried whereas approximately three-fourths of the 1923 crop was so handled.

2/ Members' equity includes reserves and amount available for further distributions. In the event that the tobacco is sold for a higher average price than the appraised value the amount available for distribution will be larger.

The consolidated balance sheet of the association and the district warehouse corporations gives the total current assets as \$48,487,382 and the current liabilities as \$16,775,951. Physical property is valued at \$6,287,236. Net worth is given as \$37,128,526. The warehouse corporations have bonds outstanding to the amount of \$1,675,900; preferred stock outstanding, \$3,737,240 and common stock, \$13,123.

COOPERATIVE MILK COMPANY ACQUIRES COUNTRY PLANTS

On Tuesday, December 16, the Dairymen's League Cooperative Association, Inc., New York City, took over the property and business of the Clover Farms, Inc., a milk distributing company operating in New York City, and owning seven modern milk receiving stations in New York State. It is proposed to hold the country plants but to sell to a friendly distributor the city holdings including a large distributing plant, 160 delivery routes, and facilities for supplying 60 infant feeding stations under the supervision of the City Department of Health.

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MICHIGAN ASSOCIATION COMPLETES EIGHTH YEAR

At the eighth annual meeting of the Michigan Milk Producers' Association, Detroit, Mich., held recently, the secretary of the organization reported that the association is now functioning in five cities Detroit, Grand Rapids, Flint, Saginaw and Ann Arbor. In these cities sales committees composed of producers meet with the distributors regularly and agree upon prices.

The secretary reported that the association's surplus plant at Adrian is now in a building belonging to the organization and that modern equipment has been installed for the making of butter, cheese, condensed milk and milk power. The refrigeration equipment is sufficiently complete to permit the storing of dairy products of all kinds.

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LEAGUE OFFERS TO BUY CERTIFICATES OF INDEBTEDNESS

Since July 1, 1924, the Dairymen's League Cooperative Association, Inc., New York City, has offered to purchase from the members more than one and one-half million dollars' worth of its certificates of indebtedness at 95¢ and interest. It has actually been able to buy less than half of this amount. The sums paid for the various series were as follows:

Series A certificates, numbers ending in 0 ...	\$165,374.72
" " " " " " 3 ....	152,927.66
" " " " " " 8 ....	130,091.95
" " " " " " 5 ....	152,209.90
Old serials, due in 1925.....	19,824.60
Serial coupons, " " " .....	25,221.88
Total.....	\$623,720.71

The old serials were purchased at 99¢ on the dollar, plus accrued interest to date of purchase.

### PENNSYLVANIA MILK PRODUCERS HOLD ANNUAL MEETING

Over 400 delegates representing nearly 300 local units attended the eighth annual meeting of the Inter-State Milk Producers' Association, Inc., in Philadelphia, Pa., December 1 and 2. Nearly 20,000 milk producers in Pennsylvania, New Jersey, Delaware and Maryland, are members of the organization which functions largely as a price bargaining organization, although considerable attention is given to the sanitary conditions surrounding the production and marketing of milk, to conducting tests in behalf of the producers, and to promoting campaigns for an increased demand for milk and other dairy products.

The growth of the association is indicated in the following figures:

Year	:	Number of	:	Number of
	:	Members	:	Locals
1919	:	10,538	:	186
1920	:	12,538	:	217
1921	:	14,697	:	244
1922	:	15,427	:	251
1923	:	17,680	:	264
1924	:	19,022	:	274

During the year 1924 fourteen men were employed on field work. These men visited 167 milk plants and made 66,000 check tests. Over 20,000 copies of the Milk Producers' Review, a monthly publication, are distributed to members of the association and to others interested in milk matters.

The association is a supporter of the Quality Control Department of the Philadelphia Interstate Dairy Council. This department during the year inspected 12,000 farms and 110 country receiving stations. Its inspectors held 163 meetings at which there was an attendance of 14,300. It also arranged demonstrations and exhibits. Among the latter was an exhibit at the National Dairy Show at Milwaukee. It also furnished speakers for a large number of meetings.

It is the claim of the association that it has evolved a marketing plan whereby the wide seasonal variation in supply has been reduced so that during the past twelve months the supply has not varied more than 12% from the expected demand.

In commenting upon the marketing program developed by the association, the president of the organization said in his annual address:

This sales method has resulted in a stabilization of price throughout the year. We have been able through it to adjust the situation so that price changes have been made only when general world conditions warranted it. We have been able to satisfy our members that the average price which they received was much better than was possible under the old system of a flat price with wide fluctuations month by month.

ADDS SEVENTY-FIVE LOCALS IN A SINGLE YEAR

Since the issue of Agricultural Cooperation for December 15, 1924 was prepared, information has become available which supplements that given on page 419 regarding the Saskatchewan Cooperative Elevator Company, Ltd., Regina, Sask.

It appears that during the business year ending with July 31, 1924, an unusually large volume of business was handled. A total of 48,445,000 bushels of grain passed through the country elevators and the terminal elevators handled 58,000,000 bushels.

The value of the physical property at the close of the business year was \$6,248,708; loans by the government to the association with accrued interest amounted to \$2,570,658; share capital paid-up, \$1,956,930; and reserves \$2,284,463.

The story of the development of this farmer-owned and controlled marketing system is best told by the following figures:

Fiscal Year	Land	Share		Government Loans
Ending	Buildings,	Capital		And Accrued
July 31	Equipment	Paid Up	Reserves	Interest
1912	\$ 479,702	\$ 176,580	\$	\$ 395,694
1913	1,290,228	227,152	51,726	1,205,843
1914	1,684,090	382,461	116,290	1,436,031
1915	1,866,099	503,116	286,834	1,569,808
1916	2,045,621	627,342	322,973	1,639,267
1917	3,032,456	938,952	612,436	1,794,108
1918	4,172,765	1,104,560	979,831	1,737,442
1919	4,728,799	1,122,312	1,069,591	2,176,960
1920	5,157,398	1,132,737	1,233,119	3,150,684
1921	5,160,271	1,408,136	1,190,622	3,255,164
1922	5,202,067	1,451,306	1,434,359	3,305,228
1923	5,431,981	1,719,952	1,624,094	3,346,835
1924	6,248,708	1,956,930	2,284,463	2,570,658

That the significance of the above figures may be the more quickly grasped they have been put on an index basis using the 1913 figures in each column as 100. Index numbers for bushels of grain handled have been included.

Perhaps the most interesting fact brought out by the figures is the big increases in reserves, paid-up share capital and value of physical property, as compared with government loans and accrued interest.

Year :	Bushels :	Land :	Share :			Government Loans
Ending :	of Grain :	Buildings :	Capital :			and Accrued
July 31:	Handled :	Equipment :	Paid-up :	Reserves :		Interest
1912 :	25 :	37 :	78 :	---		33
1913 :	100 :	100 :	100 :	100 :		100
1914 :	152 :	131 :	163 :	225 :		119
1915 :	107 :	145 :	221 :	555 :		130
1916 :	303 :	159 :	276 :	624 :		136
1917 :	251 :	235 :	413 :	1184 :		149
1918 :	202 :	323 :	486 :	1894 :		144
1919 :	161 :	367 :	494 :	2068 :		181
1920 :	151 :	400 :	499 :	2384 :		261
1921 :	203 :	400 :	620 :	2302 :		270
1922 :	270 :	403 :	639 :	2773 :		274
1923 :	316 :	421 :	757 :	3140 :		278
1924 :	376 :	484 :	862 :	4416 :		213

It is reported that during the calendar year 1924, 75 new local associations were established and 52 elevators added to the system. A field service department was created with representatives who are to visit the local associations and advise the shareholders and patrons regarding the activities of the organization. An effort is being made to turn every shareholder into a patron and every patron into a shareholder.

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#### COOPERATIVE PURCHASING ORGANIZATIONS SET UP A BUYING AGENCY

Representatives from farmers' business organizations in seven states engaged in the collective purchasing of seeds formed the Federated Seed Service in Chicago on November 28. The purpose of the new organization is "to insure the distribution of seeds of known origin, variety, and quality to its members; to exercise and maintain by inspection, and other supervisory and regulatory powers, the quality of seed distribution; to encourage and promote the use of seeds of known origin, quality and adaptation."

L. F. Shuttleworth, general manager of the Indiana Farm Bureau Purchasing department, was selected president of the new organization; Harry G. Beale, manager of the Ohio Farm Bureau Service Company was chosen vice-president, and C. F. Barnum, manager of the Michigan Farm Bureau seed department, was chosen secretary-treasurer. An executive secretary is to be employed to handle the business of the new organization.

WESTERN AUSTRALIA WHEAT POOL TRUSTEES MAKE REPORT

Gratifying results of the operation of the Cooperative Wheat Pool of Western Australia for the 1923-24 season, are reported by the trustees of the pool under date of August 13, 1924. More than ten million bushels of wheat was handled at a cost for services rendered by the trustees of 4.45 cents per bushel, compared with 4.796 cents during the 1922-23 season. It is stated that this cost does not include interest which was not under the control of the trustees. The decrease of .346 of one cent is considered by the trustees as a distinct achievement. Another source of gratification is that the price received by members of the pool was approximately 6 cents per bushel more than the average price paid by private buyers throughout the season. This means an extra \$500,000 to participants of the pool. Wheat from the pool was placed on the overseas market carefully and systematically and received a premium as a blending wheat. In the physical handling at sidings and the protection of the wheat, the trustees believe there is very little room for improvement.

The plan of operation includes three principal agreements: (1) the agreement between the Commonwealth Government, the Commonwealth Bank, and the trustees; (2) the agreement between the trustees and the acquiring agents (The Westralian Farmers, Ltd.); (3) the agreement between all millers in Western Australia and the trustees.

The first agreement relates to financing and provides for a per-bushel advance to farmers, together with a further payment to cover expenses of handling wheat from siding to ship.

The second agreement, between the trustees and the Westralian Farmers, Ltd., was the same as the previous season and worked satisfactorily. A special service was rendered by the receiving agents by the erection of sheds capable of covering 330,000 bags of wheat.

Under the contract with the millers "Each mill in the state now enters into a contract to purchase a specified quantity of wheat, delivery of which is spread over the season, which closes on the last day of August. This was a big improvement as the trustees, right from the commencement of the season were aware of the actual quantity of wheat they could dispose of overseas, but an even greater improvement was made in regard to the price-fixing method adopted, as the 1923-24 agreement distinctly lays down that the price shall be fixed on a day-to-day f.o.b. basis. This in effect means that, instead of the miller choosing the time at which he purchases his wheat, he must contract ahead to purchase his daily supplies at the full parity price on the day of sale."

One great difference in handling the 1923 wheat was the introduction of the "warehouse scheme" by the Westralian Farmers, Ltd. Under this plan those farmers who believe in pooling but are unable to meet their financial obligations from the usual advance, are allowed to sell their wheat outright and obtain the full price for that portion of it which they do not feel justified in pooling. The plan also permits farmers who raise some specially early wheat to obtain the premium which they can not obtain through the pool. The wheat acquired is sold by the pool's agents.

The finances of the warehouse scheme are handled separately from those of the pool but are under supervision of the trustees of the pool. On account of the greater quantity of wheat handled jointly, a considerable saving was made in handling and overhead charges, and the receiving agents were able to provide better facilities for weighing and loading.

The transactions of the pool were incomplete at the time of the report, August 13, 1924, but it was estimated at that time that payments to farmers would amount to \$2,200,000 and that the net price per bushel would be not less than \$1.11, less only rail freight.

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#### SHIPPING POTATOES TO ENGLAND AND IRELAND

The Maine and Minnesota potato growers' exchanges are investigating the possibilities of developing a market in England and Ireland for a portion of the bumper crop of potatoes recently harvested in the United States. Following a report by representatives of the Maine Potato Growers' Exchange, sent to England to investigate, a ship loaded with Maine potatoes sailed December 8 for Irish ports.

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#### BUYS EGGS IN EFFORT TO STABILIZE THE MARKET

On November 20, 1924, the Poultry Producers Packing and Warehousing Association, San Francisco, Calif., began to function. This packing and warehousing association, which was formed in 1920 but has been dormant for four years, is a subsidiary of the Poultry Producers of Central California, Inc. The new organization has a paid up capital stock of \$10,000 all of which is held by the old association. The old association's membership in the San Francisco Wholesale Dairy Produce Exchange has been transferred to the new organization, and it is proposed that the new organization shall become a buyer on the exchange whenever such action is necessary "to prevent unusual fluctuation and unusual depressions of the market." On December 1 the warehousing association bought over 400 cases of eggs, nearly a carload, and on December 3 it bought 590 cases, which number was well over a carload.

According to the Mulaid News, the house-organ of the producers organization, "it seems to be an unusual burden to place on the association when it is obliged to buy eggs promiscuously from various dealers on the exchange to hold the San Francisco quotation in line with supply and demand."

It is also proposed that the warehousing company shall handle the egg drying and freezing department of the association's business.

The membership of the producers' association on November 25 was 2,121. At the directors' meeting held on that date it was voted to retire advance fund certificates amounting to \$27,730, as the advance fund is in excess of the \$400,000 required by the by-laws.

A committee was directed to complete arrangements for the construction of a receiving station and packing plant at Sacramento.

PROGRESS REPORTED IN PROVINCE OF BIHAR AND ORISSA

Five thousand six hundred sixteen cooperative societies were reported by the Official Registrar of the Province of Bihar and Orissa, India, as actually working on December 31, 1923, compared with 5,130 the preceding year. New societies numbering 538 were formed in the seven months covered by the report.

Of the total 5,616 societies operating at the end of 1923, 5,108 were agricultural societies with a membership of 145,102, and 53 were credit banks with a membership of 7,610.

The 53 central banks have 5,301 affiliated societies, including 4,985 agricultural credit societies. The proportions in which loans were granted by these banks for different purposes were as follows:

	<u>Per Cent</u>		<u>Per Cent</u>
Cultivation expense.....	15	Redemption of mortgaged land.....	9.9
Purchase of cattle.....	11	Payment of other debts.....	15.4
Payment of rent.....	9.8	Marriage expenses.....	2.4
Petty trade.....	13.1	Other ceremonies.....	1.7
Improvement of land.....	0.4	Litigation expenses.....	0.3
House repair.....	5.2	Purchase of raw materials....	0.9
Purchase of lands.....	5.7	Other purposes.....	4.1
Household expenses.....	5.1		

Besides making loans to members the central banks perform a variety of functions. They endeavor to teach thrift in two ways, (1) by encouraging deposits, and (2) by enforcing payment of installments on loans when due. Education is also receiving attention, and in any district where the central bank finds itself in a position to manage the primary schools in a certain area, it secures permission from the district board and assumes the management. One hundred seventy-two such schools have been managed by the central banks in the seven months covered by the report, this being merely a beginning.

Agriculture is of even more interest than education to the banks and efforts are made to introduce improved types of grain and other crops, and better methods of cultivation, as well as improved types of cattle.

The 5,108 agricultural societies working on December 31, 1923, were distributed as follows:

Agricultural credit societies (unlimited liability).....	4,994
Agricultural credit societies (limited liability).....	78
Production and sale societies (unlimited liability).....	1
Production and sale societies (limited liability).....	26
Purchase and sale societies (limited liability).....	9

During the period under report 2,292 acres of mortgaged lands were redeemed and 1,479 acres were purchased by members of the village societies, and the number of cattle was increased by 11,554. Checking the evils of litigation is another line of work, and 155 cases were settled out of court, and of 283 which went to court, 90 were either withdrawn or settled through the influence of the societies.

ALBERTA FARMERS FORMING THREE MARKETING ASSOCIATIONS

Alberta, Canada, farmers are so well pleased with the results being obtained by the wheat pool (Alberta Cooperative Wheat Producers, Ltd. See Agricultural Cooperation, September 8, 1924, p. 296) that steps are now being taken for the establishment of similar organizations to handle livestock, poultry and eggs, and fluid milk and cream.

Plans for the livestock pool are more advanced than those for the other two enterprises. Province-wide meetings in behalf of the program for the cooperative marketing of livestock were held in March and July of 1924. At the latter meeting the more important features of the plan of marketing were worked out. Later a temporary organization was set up and a membership campaign started for the Alberta Cooperative Livestock Producers, Ltd., Edmonton.

An agreement has been drafted which covers the five years, 1925-1929. The producer agrees to consign and deliver to the association the cattle, hogs and sheep which he has for sale, and the association agrees to act as agent, factor, and attorney-in-fact, and, at its discretion, "to handle, feed, fatten, finish, slaughter, store, transport, market, sell alive or slaughtered, or otherwise dispose of the livestock or any of the by-products of the livestock." The association further agrees to maintain three primary funds (for cattle, hogs, and sheep), and within the primary funds to pool the proceeds from sales according to periods of delivery.

In order that the agreements shall become effective it is necessary that producers of livestock to the amount of 2,500 cars shall sign before August 1, 1925. Liquidated damages for breach of contract are placed at \$8 an animal for cattle, \$4 for hogs, and \$2 for sheep. Local shipping associations are to be formed for the purpose of receiving livestock from members of the association and loading the same for shipment on order. These locals are to have their own boards of directors and are to select their own managers or shipping agents. The locals in each of the seven districts into which the Province of Alberta has been divided will select one of the seven directors of the provincial association, and each local will select a representative to attend the annual meeting of the provincial association and to help formulate general policies.

Sales are to be made by a single selling agency, which is expected to work out plans whereby 90% of the value of livestock can be paid to the producer at the time of delivery of the animals.

The plans of organization for the Alberta Cooperative Poultry Producers, Ltd., Calgary, and the Alberta Cooperative Dairy Producers, Ltd., Edmonton, are very similar to that of the livestock producers. The marketing agreement in all three cases covers the five years, 1925-1929. August 1 is set as the date for the close of the "sign-up" campaigns. The proportion of the total crops to be covered by the agreements is one-third in the case of poultry and eggs, also of dairy products.

AGRICULTURAL COOPERATION IN CZECHOSLOVAKIA

Recently compiled data relative to agricultural cooperation in the Czechoslovakian Republic are found in a pamphlet entitled "The Cooperative Movement in Czechoslovakia," by L. F. Dvorak, Manager of the Central Union of Agricultural Cooperative Societies, Prague, 1924. According to Mr. Dvorak there were on January 1, 1924, 14,942 active cooperative societies in the country. Of this number, 7,864, more than one-half, were classed as agricultural societies. The agricultural societies were divided into "Kampelicky" credit societies and other agricultural societies. The increase in the number of societies of these two types is given as follows:

January 1 :	Credit	:	Agricultural	:
:	Societies	:	Societies	Total
1920 :	4,322	:	1,279	5,601
1921 :	4,366	:	1,640	6,006
1924 :	4,358	:	3,479	7,864

The credit societies differ somewhat in the different parts of the country. In the south and west of Bohemia they resemble savings banks, as the need of credit is rarely felt, while in the east and northeast they are more of the nature of general loan banks, the members borrowing more than they deposit. The transfer of funds from the depositing sections to the borrowing sections is accomplished through a federation with which many of the societies are affiliated. It is stated that the local societies are "teachers and instructors in all that concerns the use of credit in general. They thus give an impulse to social progress in the country districts at the same time as they facilitate the economic emancipation of the agricultural laborers, farmers and peasants. Their value lies not only in the material advantages which they secure for their members, but in their promotion of cooperative loyalty, of discipline, of the spirit of solidarity, and of sound economic principles in general. They furnish credit on the most advantageous terms, at a rate of interest which varies as little as possible....the officers are all honorary and receive no remuneration.... On the basis of the solid cooperative organization of credit, other agricultural cooperative undertakings have sprung up."

These credit societies are completely exempt from taxation and "have special privileges in regard to the tax on profits, provided they do business only with their own members."

The Central Union of Agricultural Cooperative Societies is a federation of local credit societies, and of societies for the purchase of requisites and the sale of produce. The federation is charged with "the keeping of the accounts of the affiliated cooperative societies" and with carrying out the inspections required by law. The inspectors employed are specialists who are qualified to give supervision in the matter of commercial and technical management. In regard to purchase and to sale, their work consists mainly in the joint purchase of agricultural requisites (fertilizers, feeding stuffs, seeds, machinery,

óóál, etc.) and the sale of agricultural produce (cereals, chicory, butter, alcohol). The Union serves as a wholesale society for the associations affiliated with it.

The development of the buying and selling activities of the Central Union is indicated by the following figures:

Year	Wagon Loads	Year	Wagon Loads
1901	932	1917	16,875
1905	6,115	1918	15,080
1910	12,576	1919	27,232
1915	16,781	1920	41,066
1916	13,650	1921	50,895

Besides its commercial activities the Central Union functions as advisory body. It represents the societies before the legislature and public officials. It compiles statistics, publishes pamphlets and cooperative journals. With the aid of a government subsidy it established, the first year after the foundation of the republic, "a higher school of agricultural cooperation for the instruction of the employees and officials of cooperative societies. The course is for one year....A course of two months is also given.... for persons who are already engaged as employees of cooperative societies." Short courses are organized in the country districts to give practical information to the largest possible number of employees and officials of cooperative societies.

It is stated that the cooperative sale and utilization of agricultural products began about 1890 in Bohemia. Figures indicating the growth of the agricultural societies other than credit societies are as follows:

Year	Czech		German		Total	
	Number	Number of	Number	Number of	Number	Number of
	:	Members	:	Members	:	Members
1905	552	-----	205	-----	757	-----
1909	---	71,327	---	22,229	---	93,556
1912	896	109,344	302	36,417	1,198	145,761
1919	---	122,229	---	54,258	---	176,487
1922	2,462	-----	485	-----	2,947	-----

An important type of agricultural society is the cooperative dairy. In 1922 there were 252 dairies with over 33,000 members, as will be noted below:

Year	Czech		German		Total	
	Number	Number of	Number	Number of	Number	Number of
	:	Members	:	Members	:	Members
1909	182	19,487	72	11,566	254	31,053
1912	173	17,724	90	13,541	263	31,265
1922	157	18,221	95	15,659	252	33,880

Two hundred eleven livestock insurance societies in 1920 had a total membership of 6,860, and 19,210 animals were insured. Livestock was sold cooperatively by 130 societies. A number of cooperative grazing societies are active in promoting scientific breeding of stock.

The flax growers are organized into 32 societies; there are 34 cooperative chicory driers with 6,037 members; 108 cooperative distillers with 1,673 members; 520 cooperative stores; 8 cooperative factories for the manufacture of potato flour; 3 cooperative starch factories; 1 dextrine factory; 449 societies for the cooperative use of machinery; weighing, and cooperative supplying of electricity; 2 cooperative breweries; 1 cooperative society for the sale of hops; and 1 cooperative malt house. There are also cooperative mills for grinding corn for farmers. The sugar beet growers are organizing to act cooperatively in bargaining for the sale of their beets.

Electric current created by cooperatively owned plants will soon be supplied to 22 districts in Eastern Bohemia.

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#### ILLINOIS WOOL SOLD COOPERATIVELY

Nearly one hundred thousand pounds (93,637) of wool from 419 farmers was included in the 1924 pool conducted by the Illinois Agricultural Association, Chicago, Ill. Gross sales amounted to \$40,202, which was nearly 43 cents a pound. Charges against the wool amounted to \$3,399, and the net proceeds were \$36,803 which was approximately 90% of the selling price.

The items making up the charges and the per pound amount of each, as reported by the association, were as follows:

	Total Charges	Cents Per Pound
Storage	\$2,569.60	2.745
Freight	801 55	.856
Interest	28.39	.030
Total	\$3,399.54	3.631

The selling price varied for the different grades from 11.4 cents to 51.2 cents. The wool was handled in 31 pools.

A small quantity of wool has been delivered to be graded and sold later.

MEMBERS NOT LIABLE FOR CORPORATE DEBTS.

J. D. Meikle as receiver of the North Pacific Fruit Distributors, Spokane, Wash., a corporation, brought suit against the Wenatchee North Central Fruit Distributors, Wenatchee, Wash., and others. The plaintiff lost in the trial court and then appealed the case to the Supreme Court of the state of Washington, 225 Pac. 819. The following facts were involved.

Both of the corporations were formed as non-profit organizations without capital stock, and neither of them conducted its business for profit. The Wenatchee association was a member of the North Pacific Fruit Distributors. The Spokane corporation had a judgment for \$1,954 rendered against it as damages, due to the fact that it had negligently handled a shipment of fruit for a non-member corporation. Inasmuch as the Spokane corporation was unable to satisfy this judgment a receiver was appointed. The court that appointed the receiver entered an order that he levy an assessment for \$3,788.65 against the members of that corporation. Inasmuch as the members of the corporation failed to pay, following demands made upon them by the receiver, he instituted suit against the Wenatchee corporation and certain other persons and corporations named in the assessment order.

The Wenatchee corporation had a membership contract with the Spokane corporation under which it agreed to become responsible for and pay the expenses of conducting the business and affairs of the Spokane corporation in the proportion that the fruit which it marketed through the Spokane corporation bore to the total tonnage marketed by that corporation during a year. The Spokane corporation was authorized to incur such expenses as might be necessary to marketing the fruit of its members and such other outlays as might be authorized by its board of directors incident thereto. The record in the case did not disclose whether the Spokane corporation had ever handled a ton of fruit for the Wenatchee corporation. There was no provision in the charter or in the by-laws of the Spokane corporation imposing any financial liability whatever upon its members other than that referred to above. The court held that the Wenatchee corporation was not liable for any part of the assessment in question. The court pointed out that as a general rule the liability of a member to a corporation was determined by his contract of membership. In this connection the court quoted with approval the following:

It is the general rule also that nonstock corporations have no power to levy assessments upon members in excess of the amount paid or promised, or upon members who have paid all that is required by their contract of membership, or by the constitution or by-laws of the corporation.

The court did not specifically state what the ruling would have been if a showing had been made that the Wenatchee corporation had marketed a given amount of fruit through the Spokane corporation, assuming that the Wenatchee corporation was only being called upon to pay its proportionate part of the sum involved, but the court intimated that even though a proper showing had been made with respect to these matters, no recovery would have been allowed, apparently upon the theory that the debt in question was not such an obligation as was covered by the contract of membership.

The case is important because it emphasized the fact that the liability of members of a non-stock corporation is determined by their contract of membership, unless there are statutory or constitutional provisions imposing a greater liability. The following quotation from the opinion in the case should prove of interest.

Let us keep in mind, as we proceed, the fact that the Spokane corporation is not a mere voluntary association independent of statute, but that it is a legal corporate entity by force of the statute, apart from the persons, natural or artificial, constituting its membership; as much so as an ordinary stock corporation is a legal entity apart from the persons, natural or artificial, who may be owners of the shares of its capital stock.

L. S. Hulbert

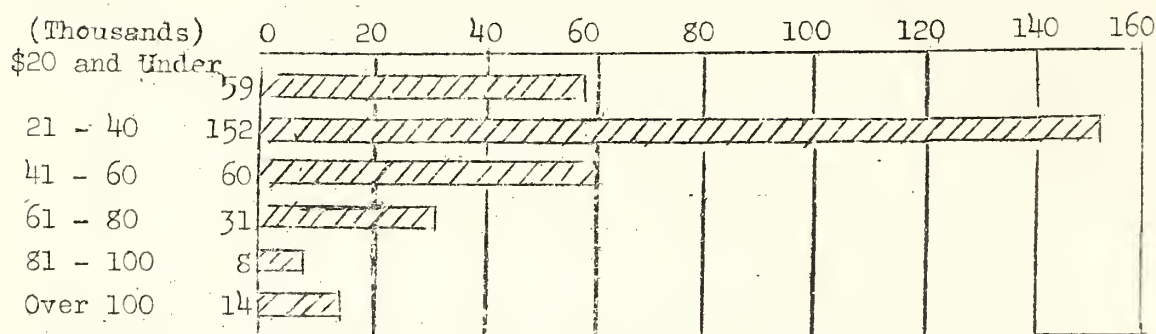
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### THIRD NATIONAL COOPERATIVE CONFERENCE SCHEDULED FOR WASHINGTON

At a meeting of the executive committee of the National Council of Farmers' Cooperative Marketing Associations, held in Chicago, December 1, 1924, a tentative program was formulated for the third National Cooperative Marketing Conference to be held in Washington, D. C., January 5, 6, 7, and 8. Committees were appointed to invite the President of the United States, and the Secretaries of Agriculture and Commerce to address the conference. The first day of the conference is to be given over to addresses by agricultural leaders; the forenoon of the second day, to an analysis of pending cooperative marketing bills; the afternoon of the second day, to field service and morale problems; the third morning, to educational programs; the third afternoon, to credit; and the final session on the fourth morning, to the annual business meeting of the National Council.

# DISTRIBUTION OF CHEESE FACTORIES ACCORDING TO AMOUNT OF BUSINESS

(Number of Associations)



Assuming that the cooperative cheese factories reporting to the United States Department of Agriculture are typical of all the farmers' business enterprises of this kind in the country, then nearly 47 per cent of such factories have an annual business which ranges in volume from \$21,000 to \$40,000. Approximately 85 per cent of all the cooperative factories have an annual volume of business which does not exceed \$60,000.

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